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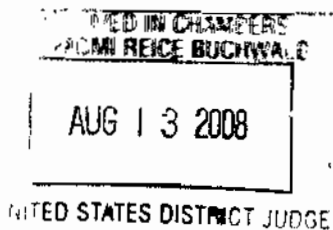
MEMO ENDORSED

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August 12, 2008

VIA HAND DELIVERY

The Honorable Naomi R. Buchwald
United States District Judge
United States Courthouse
500 Pearl Street, Rm 2270
New York, New York 10007



USDS SDNY DOCUMENT ELECTRONICALLY FILED DOC #: DATE FILED: 8/19/08
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Re: *Physicians Mutual Insurance Company, et al. v Greystone Servicing Corporation, Inc., et al., Civil Action Number 07 CV 10490 (NRB)*

Judge Buchwald:

We represent Defendants Greystone Servicing Corporation, Inc. ("Greystone Servicing"), Greystone Funding Corporation ("Greystone Funding"), Greystone & Co., Inc. ("Greystone & Co."), Stephen Rosenberg ("Rosenberg"), Robert R. Barolak ("Barolak"), and Curtis A. Pollock ("Pollock"), the Defendants in the above referenced litigation. Counsel for the parties have agreed to the following briefing schedule on the Defendants' F.R.Civ.P. Rule 12(b)(6) motion to dismiss, and we respectfully request its adoption by the Court:

Defendants to file/serve initial papers in support of their motion to dismiss on or before 8/28/08;

Plaintiffs will file/serve papers in opposition to motion to dismiss on or before 9/25/08; and

Defendants will file/serve reply papers on or before 10/15/08.

Given the number of counts involved in the motion to dismiss and the number of Defendants, the parties also jointly request that they be permitted to file memoranda which exceed the page limits set forth in this Court's Individual Practices by five pages per memorandum.

Also, the Defendants wish to advise this Court that on August 8, 2008, Asset Allocation and Management Co., LLC, filed a declaratory judgment action against the Plaintiffs in the present action. A copy of this declaratory judgment complaint is enclosed with this letter. As the Court will see, the declaratory judgment action involves all of the transactions at issue in the present case and seeks a ruling that Asset Allocation did not breach any duties, contractual or otherwise, to Physicians Mutual Insurance Company related to the alleged "premature" redemption of Physicians' interests in the mortgage pools at issue in that case and the present case. The Court is aware of the prior procedural history related to the ruling of Judge Conlon

The briefing schedule is accepted. Discovery is stayed pending the resolution of the motion to dismiss.
S. J. Deane
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Buchwald
8/18/08

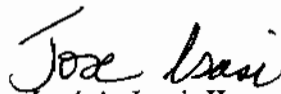
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finding against Physicians and in favor of Asset Allocation in their prior litigation and holding that Physicians suffered no legally cognizable damages related to the "premature" redemptions.

It may be that this Court will wish to stay these proceedings pending the outcome of this new declaratory judgment action. For the reasons previously outlined in the Defendants' motion to stay filed May 5, 2008, should Asset Allocation obtain the requested relief in its declaratory judgment action, such an order would serve as collateral estoppel to Plaintiffs' claims in this case. If this Court wishes to consider a motion to stay pending the outcome of the Asset Allocation declaratory judgment action, the Defendants would be able to proceed with the filing of a motion to stay in lieu of the motion to dismiss, and would be able to meet the briefing schedule outlined above. Please advise the parties if you wish a motion to stay to be briefed.

Please advise us if the Court has any questions or concerns.

Respectfully submitted,


José A. Isasi, II


William Wargo

Enclosure

cc: Richard E. Carmen, Esq. (via facsimile and U.S. Mail)
James J. Frost, Esq. (via facsimile and U.S. Mail)